

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

S A - 2

2. STATE:

Kentucky

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 1996

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 442, subpart F

7. FEDERAL BUDGET IMPACT:

a. FFY 95 \$1,213,000 (cost)

b. FFY 97 \$17,347,275 (cost)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-4, Supplement 1, pages 7-9;
Attachment 3.1-6, Supplement 1, pages 7-9;
Attachment 4.15-1, page 10.2; and
Attachment 4.15-6, pages 20.33 and 20.40.9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

None

10. SUBJECT OF AMENDMENT:

Coverage and payments for targeted case management services for children and adults and for
rehabilitative services for children

GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:Review delegated to the Commissioner,
Department for Medicaid Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

John A. Yocum

14. TITLE:

Commissioner, Dept for Medicaid Services

15. DATE SUBMITTED:

March 27, 1996

16. RETURN TO:

Commissioner
Department for Medicaid Services
3rd Floor, CAR Bldg
275 East Main Street
Frankfort, KY 40621

17. DATE RECEIVED:

March 28, 1996

FOR REGIONAL OFFICE USE ONLY

18. DATE APPROVED:

June 21, 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

July 1, 1996

20. SIGNATURE OF REGIONAL OFFICIAL:

[Signature]

21. TYPED NAME:

Eugene A. Grasser

22. TITLE: Associate Regional Administrator
Division of Medicaid and State Operations

23. REMARKS:

Payment Methodology for Rehabilitative Services For Children In The Custody of or Who Are At Risk Of Being In The Custody Of The State, And For Children Under The Supervision Of The State, and which are Provided Through an Agreement With The State Health or Title V Agency

Payments for rehabilitative services for the target populations are per service. They are based upon one or more documented rehabilitative services provided to each client. The rates for the rehabilitative services are based upon the actual direct and indirect costs to the providers. An interim rate based on projected cost may be used as necessary with a settlement to cost at the end of the fiscal year. If a projected interim rate is to be used, it shall be based on the prior year's cost report, if available, or on estimates of the average cost of providing case management services based on financial information submitted by the provider.

The provider shall accumulate the following types of information for submission to Medicaid as justification of costs and worker activities: identification, by recipient and worker, of each individual service provided, a showing of all direct costs for rehabilitative services; and a showing of all indirect costs for rehabilitative services appropriately allocated by the agency cost allocation plan on file or by using generally accepted accounting principles if necessary.

Rehabilitative service providers who are public state agencies shall have on file an approved cost allocation plan. If the state Public Health or TitleV agency subcontracts with another state agency for the provision of the services, it shall be the subcontracting state agency's approved cost allocation plan that shall be required to be on file.

State Kentucky

Targeted Case Management Services for Children in the Custody of or at Risk of Being in the Custody of the State, and for Children under the Supervision of the State, and for Adults in Need of Protective Services

A. Target Groups: By invoking the exception to comparability allowed by 1915(g)(1) of the Social Security Act, this service will be reimbursed when provided to persons who are:

1. Age 0-21 and meet the state's conditions and circumstances to be defined as a child in the custody of or at risk of being in the custody of the state, or a child who is under the supervision of the state, and
2. Adults who meet the state's conditions and circumstances to be defined as an adult in need of protective services.

B. Areas of State in which services will be provided:

X Entire State.

_____ Only in the following geographic areas (authority of Section 1915(g)(1) of the act is invoked to provide services less than statewide):

C. Comparability of Services

_____ Services are provided in accordance with Section 1902(a)(10)(B) of the Act.

X Services are not comparable in amount, duration and scope. Authority of Section 1915(g)(1) of the Act is invoked to provide services without regard to the requirements of Section 1902(a)(10)(B) of the Act.

D. Definition of Services: Case management is a service that allows providers to assist eligible individuals in accessing needed medical, social, educational and other support services. Consistent with the requirements of Section 1902(a)(23) of the Act, the providers will monitor client treatment to assure that clients receive services they are referred to. One case management unit is the sum of case management activities that occur within a calendar month. These activities include:

TN No. 96-03

Supersedes

TN No. None

SB 91-23
8/3/01 dpt

Approval Date JUN 21 2001

Effective Date: 7-1-96

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- (1) A written assessment of the child or adult's needs;
 - (2) Arranging for the delivery of the needed services as identified in the assessment;
 - (3) Assisting the child and his family, or the adult, in accessing services needed by the individual child or adult.
 - (4) Monitoring the child or adults progress by making referrals, tracking the child or adult's appointments, performing follow-up on services rendered, and performing periodic reassessments of the child or adult's changing needs;
 - (5) Performing advocacy activities on behalf of the adult, or the child and his family, to assure that the individual adult or child gains access to the services he or she needs.
 - (6) Obtaining, preparing and maintaining case records documenting contacts, services needed, reports, the child or adult's progress, etc following provision of service to the child or the adult on behalf of the child or adult.
 - (7) Providing case consultation (i.e., consulting with the service provider/collateral's in determining the child or adult's status and progress); and
 - (8) Performing crisis assistance (i.e., intervention on behalf of the child or adult, making arrangements for emergency referrals, and coordinating other needed emergency services).

E. Qualification of Providers:

Providers must be certified as a Medicaid provider meeting the following criteria:

- (1) Demonstrated capacity to provide all core elements of case management including
 - (a) assessment;
 - (b) care/services plan development;
 - (c) linking/coordination of services; and
 - (d) reassessment/follow-up.
- (2) Demonstrated case management experience in coordinating and linking such community resources as required by one of the target populations.

TN No. 96-03

Supersedes

TN No. None

Approval Date JUN 21 2001

Effective Date 7-1-96

S/B 9/1-23
8/2/01
dpt

State Kentucky

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- (3) Demonstrated experience with one of the target populations.
 - (4) An administrative capacity to insure quality of services in accordance with state and federal requirements.
 - (5) Have a financial management system that provides documentation of services and costs.
 - (6) Capacity to document and maintain individual case records in accordance with state and federal requirements.
 - (7) Demonstrated ability to assure a referral process consistent with Section 1902(a)(23) of the Act, freedom of choice of provider.
 - (8) Demonstrated capacity to meet the case management service needs of the target population.

Qualifications of Case Manager (Only the following can be case managers)

Each case manager must be employed by an enrolled Medicaid provider or by an approved subcontractor of an enrolled Medicaid provider and must meet the following minimum requirements:

- (1) Have a Bachelor of Arts or Bachelor of Sciences degree in any of the social/behavioral sciences or related fields from an accredited institution; and
 - (2) Have one (1) year of experience working directly with the targeted case management population or performing case management services or have a master's degree in a human service field.
- F. The State assures that the provision of case management services will not restrict an individual's free choice of providers in violation of Section 1902(a)(23) of the Act.
- (1) Eligible recipients will have free choice of the providers of case management services.
 - (2) Eligible recipients will have free choice of the providers of other medical care under the plan.
- G. Payment for case management services under the plan does not duplicate payments made to public agencies or private entities under other program authorities for this same purpose.

TN No. 96-03
Supersedes
TN No. None

Approval Date JUN 21 2001

Effective Date 7-1-96

S/B 9/1-23
dpt 8/3/01

Targeted Case Management Services for Children in the Custody of or at Risk of Being in the Custody of the State, and for Children under the Supervision of the State, and for Adults in Need of Protective Services

A. Target Groups: By invoking the exception to comparability allowed by 1915(g)(1) of the Social Security Act, this service will be reimbursed when provided to persons who are:

1. Age 0-21 and meet the state's conditions and circumstances to be defined as a child in the custody of or at risk of being in the custody of the state, or a child who is under the supervision of the state, and
2. Adults who meet the state's conditions and circumstances to be defined as an adult in need of protective services.

B. Areas of State in which services will be provided:

 X Entire State.

 Only in the following geographic areas (authority of Section 1915(g)(1) of the act is invoked to provide services less than statewide):

C. Comparability of Services

 Services are provided in accordance with Section 1902(a)(10)(B) of the Act.

 X Services are not comparable in amount, duration and scope. Authority of Section 1915(g)(1) of the Act is invoked to provide services without regard to the requirements of Section 1902(a)(10)(B) of the Act.

D. Definition of Services: Case management is a service that allows providers to assist eligible individuals in accessing needed medical, social, educational and other support services. Consistent with the requirements of Section 1902(a)(23) of the Act, the providers will monitor client treatment to assure that clients receive services they are referred to. One case management unit is the sum of case management activities that occur within a calendar month. These activities include:

TN No. 96-03

Supersedes

TN No. None

Approval Date JUN 21 2001

Effective Date: 7-1-96

S/B 91-23
dpt 8/3/01

State Kentucky

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- (1) A written assessment of the child or adult's needs;
 - (2) Arranging for the delivery of the needed services as identified in the assessment;
 - (3) Assisting the child and his family, or the adult, in accessing services needed by the individual child or adult;
 - (4) Monitoring the child or adults progress by making referrals, tracking the child or adult's appointments, performing follow-up on services rendered, and performing periodic reassessments of the child or adult's changing needs;
 - (5) Performing advocacy activities on behalf of the adult, or the child and his family, to assure that the individual adult or child gains access to the services he or she needs;
 - (6) Obtaining, preparing and maintaining case records documenting contacts, services needed, reports, the child or adult's progress, etc. following provision of service to the child or the adult on behalf of the child or adult;
 - (7) Providing case consultation (i.e., consulting with the service provider/collateral's in determining the child or adult's status and progress); and
 - (8) Performing crisis assistance (i.e., intervention on behalf of the child or adult, making arrangements for emergency referrals, and coordinating other needed emergency services).

E. Qualification of Providers:

Providers must be certified as a Medicaid provider meeting the following criteria:

- (1) Demonstrated capacity to provide all core elements of case management including
 - (a) assessment;
 - (b) care/services plan development;
 - (c) linking/coordination of services; and
 - (d) reassessment/follow-up.
- (2) Demonstrated case management experience in coordinating and linking such community resources as required by one of the target populations.

TN No. 96-3
Supersedes
TN No. None

Approval Date JUN 21 2001

Effective Date 7-1-96

S/B 91-23
dpt 8/3/01

State Kentucky

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- (3) Demonstrated experience with one of the target populations.
 - (4) An administrative capacity to insure quality of services in accordance with state and federal requirements.
 - (5) A financial management system that provides documentation of services and costs.
 - (6) Capacity to document and maintain individual case records in accordance with state and federal requirements.
 - (7) Demonstrated ability to assure a referral process consistent with Section 1902(a)(23) of the Act, freedom of choice of provider.
 - (8) Demonstrated capacity to meet the case management service needs of one of the target populations.

Qualifications of Case Manager (Only the following can be case managers)

Each case manager must be employed by an enrolled Medicaid provider or by an approved subcontractor of an enrolled Medicaid provider and must meet the following minimum requirements:

- (1) Have a Bachelor of Arts or Bachelor of Sciences degree in any of the social/behavioral sciences or related fields from an accredited institution; and
 - (2) Have one (1) year of experience working directly with the targeted case management population or performing case management services or have a master's degree in a human service field.
- F. The State assures that the provision of case management services will not restrict an individual's free choice of providers in violation of Section 1902(a)(23) of the Act.
- (1) Eligible recipients will have free choice of the providers of case management services.
 - (2) Eligible recipients will have free choice of the providers of other medical care under the plan.
- G. Payment for case management services under the plan does not duplicate payments made to public agencies or private entities under other program authorities for this same purpose.

TN No. 96-03

Supersedes

TN No. None

*S/B 91-23
dpt 4/3/01*

Approval Date JUN 21 2001

Effective Date 7-1-96

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7. The intracabinet memorandum of agreement with the Department for Public Health, the Department for Community Based Services and the Department for Mental Health and Mental Retardation Services provides for targeted case management services for Medicaid eligible recipients including children in the custody of or at risk of being in the custody of the state, and children under the supervision of the state, and adults who may require protective services from the state, and fulfills the requirements of 42 CFR 431.615.
 8. The intracabinet memorandum of agreement with the Department for Public Health, the Department for Community Based Services and the Department for Mental Health and Mental Retardation Services provides for rehabilitative services for children in the custody of or at risk of being in the custody of the state, and for children under the supervision of the state, and fulfills the requirements of 42 CFR 431.615.

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dpt 8/3/01Approval date JUN 21 2001Effective Date: 7-1-96

Payment Methodology for Rehabilitative Services for Children In The Custody of or Who Are At Risk Of Being In The Custody Of The State, And For Children Under The Supervision Of The State, and that are Provided Through an Agreement With The State Health or Title V Agency

Payments for rehabilitative services covered in Attachment 3.1-A, page 7.6.1 and Attachment 3.1-B, page 31.5 for the target populations are per service. They are based upon one or more documented rehabilitative services provided to each client. The rates for the rehabilitative services are based upon the actual direct and indirect costs to the providers. An interim rate based on projected cost may be used as necessary with a settlement to cost at the end of the fiscal year. If a projected interim rate is to be used, it shall be based on the prior year's cost report, if available, or on estimates of the average cost of providing case management services based on financial information submitted by the provider.

The provider shall accumulate the following types of information for submission to Medicaid as justification of costs and worker activities: identification, by recipient and worker, of each individual service provided, a showing of all direct costs for rehabilitative services; and a showing of all indirect costs for rehabilitative services appropriately allocated by the agency cost allocation plan on file or by using generally accepted accounting principles if necessary.

Rehabilitative service providers who are public state agencies shall have on file an approved cost allocation plan. If the state Public Health or Title V agency subcontracts with another state agency for the provision of the services, it shall be the subcontracting state agency's approved cost allocation plan that shall be required to be on file.

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XXXI. Payment Methodology for Targeted Case Management Services For Children In The Custody Of Or Who Are At Risk Of Being In The Custody Of The State, and For Children Under the Supervision Of The State, and For Adults In Need Of Protective Services

Payments for targeted case management services for the target populations are monthly. They are based upon one or more documented targeted case management services provided to each client during that month. The monthly rate for the targeted case management services is based on the total average cost per client served by the provider. The monthly rate is established on a prospective basis based upon actual case management costs for the previous year. An interim rate based on projected cost may be used as necessary with a settlement to cost at the end of the fiscal year. If a projected interim rate is to be used, it shall be based on the prior year's cost report, if available, or on estimates of the average cost of providing case management services based on financial information submitted by the provider.

Case management providers who are public state agencies shall have on file an approved cost allocation plan. If the state Public Health or TitleV agency subcontracts with another state agency for the provision of the services, it shall be the subcontracting state agency's approved cost allocation plan that shall be required to be on file.

The provider shall accumulate the following types of information for submission to Medicaid as justification of costs and worker activities: directly coded worker time; identification, by recipient and worker, of each individual service provided, a showing of all direct costs for case management activities; and a showing of all indirect costs for case management activities appropriately allocated by the agency cost allocation plan on file or by using generally accepted accounting principles if necessary.

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